

Regulation - Community Perspectives

Adam Farrar

NSW Federation of Housing
Associations



Different ways of 'regulating'?

- There are 3 broad forms of regulation
- All are about forms of assurance
- A good system will include all of them
- A poor system may just focus on one aspect

Compliance

- with *specific requirements*
- Might be contracted outputs (eg a specific program),
- Will probably include requirements in legislation or regulation such as fire or safety standards
- Could include required benchmarks like tenants will pay no more than 25% of income,
- Is based on minimum standards
- This aspect of regulation is the most prescriptive and should have the smallest possible role

Quality assurance

- Focuses on *systems & procedures*
- Its purpose is to provide assurance that the systems necessary for quality outcomes exist
- Usually not minimum standards & and usually include a quality improvement philosophy – eg the national standards

Managing performance risk

- This focuses on *ongoing performance* in key areas – finance, governance, service delivery
- Its purpose is to catch problems that might lead to problems – insolvency, conflicts, unacceptable levels of tenancy failure – before they are too bad
- It then provides the support needed to fix them
- This is the most active form of regulation

Usual consequences

- The consequence of non-compliance is a sanction – prosecution or non-payment
- The consequence of not having quality systems is non-recognition – which might be bad PR or might mean not being able to practice
- The consequence of performance risk is government intervention – from support to administration

What do we want from regulation?

- That it promotes sector development – rather than being a tool to control the business – including co-regulation
- Particularly that it provides assurance to the other players needed for sector development
- That it supports quality for tenants & communities
- That the all regulatory processes are first and foremost tools for providers to manage more effectively

What do we want from regulation?

- That the compliance costs don't outweigh the benefits – efficiency and proportionality
- That it is transparent – shared oversight, rights & legislation

Track record

- The first go at legislation was driven by controlling the business & was rejected
- The current development of a performance management framework to accreditation & contracts gives us the full suite
- The in-principle separation of PM and funding/development is a positive step – but the precise boundaries have yet to be worked through

Track record

- There is collective oversight (at least for the 3 years of implementation) & appeals
- There is a co-regulatory element to the system – referrals for intensive support
- The indicators for the performance based registration have been through extensive discussion and have been signed off by sector experts – with a bit of give & take

Track record

- But we seem likely to suffer from 2 major areas of duplication:
- The current data reports for funding are being reviewed and don't match the PBRS data reports – so there may be *more* reporting, rather than less
- The evidence from accreditation and the inspection/ evaluation process haven't been coordinated – but if they are duplicated, people will pull out of the accreditation system

Track record

- The timelines for the roll out are unrealistic and in flux, creating uncertainty
- The time and cost to change systems to collect the new data has not been factored in to the timelines
- The IT systems to provide the data as a by-product of day to day housing management do not exist across the sector
- The policy & legislation to support the system are still not in place

Summary

- The objectives and building locks are all in place for best practice regulation
- The is cautious sector support
- But the implementation process could lose this if the timelines, the inspection processes and the data collection tools aren't got right
- And we need to see the return on all this work